

**2006 ANNUAL REPORT**

**ANDALEX RESOURCES, INC.  
CENTENNIAL MINESITE  
C/007/019**

**File in:**

☐ Confidential

☒ Shelf

☐ Expandable

Refer to Record No 0015 Date 04/05/07

In C/007/019, 2007, Incoming

For additional information

To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the tab key to move from one field to the next. To select a check box, click in the box or type an x.

## GENERAL INFORMATION

Permitte Name	Andalex Resources, Inc.
Mine Name	Centennial Minesite
Operator Name (If other than permittee)	
Permit Expiration Date	January 5, 2012
Permit Number	C/007/019
Authorized Representative Title	Dave Shaver, Resident Agent
Phone Number	(435) 888-4017
Fax Number	(435) 888-4002
E-mail Address	dshaver@coalsource.com
Mailing Address	P.O. Box 1077, Price, Utah 84501
Designated Representative	Dave Shaver
Resident Agent	Dave Shaver
Resident Agent Mailing Address	P.O. Box 1077, Price, Utah 84501
Number of Binders Submitted	(2) 1-Salt Lake Office and 1-Price Field Office

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01474	Pinnacle	N/A
	42-01750	Apex	N/A
	42-02028	Aberdeen	N/A
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UT0025674	UPDES Permit	11/30/2011
PSD Permit(s) (Air)	DAQE-997-96	Centennial	N/A

### Other


**CERTIFIED REPORTS**

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On File	
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Appendix A
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Technical Data:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On file	
Climatological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Subsidence Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Appendix B
Vegetation Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Raptor Survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
First quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Second quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Third quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Fourth quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Geological / Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Non Coal Waste / Abandoned Underground Equipment*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Reminder: If equipment has been abandoned during 2006, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

*Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.*

Legal / Financial Update	Required		Included or on File with DOGM		Comments
	Yes	No	Included	On file	
Department of Commerce, Annual Report Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

*Copies of mine maps, current and up-to-date through at least December 31, 2006, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. These map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Upon request, the Division shall keep mine maps confidential. Please provide a CD.*

[illegible]

**OTHER INFORMATION**

*Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.*

**Additional attachment to this report?****Yes** ☐**No** ☒

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

**ANNUAL IMPOUNDMENT INSPECTIONS**

**ANDALEX RESOURCES, INC.**  
**2006 ANNUAL POND INSPECTION REPORT**

**POND:** Sed. Basin "B"

**LOCATION:** Centennial

<b>IMPOUNDMENTS</b>	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	None Noted.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	12" Water - #2
(5) Existing Storage Capacity	0.208 acre feet.
(6) Monitoring Procedures	Sediment Level. Cleanout at 50% accumulation. (Between 1 and 2)

<b>SEDIMENT PONDS ONLY</b>	
(7) Sediment Accumulation (Elevation)	7079.0 - #2
(8) Sediment Cleanout Level (Elevation)	7081.0 - #2
(9) Principle Spillway (Elevation)	7077.0 - #1
(10) Emergency Spillway (Elevation)	7078.0 - #1
(11) Existing Sediment Capacity (To Cleanout)	0.057 acre feet.

<b>GENERAL</b>	
(12) Comments/Recommendations	Cell B4 - Full (7091.0)      Ponds O.K. Cell B3 - Full (7087.0)      Outlets/Spillway Cell B2 - 2.0' Remaining (7079.0) Cell B1 - 5.1' Remaining (7071.9) Some gravel in bottom below dike.

**STATEMENT**

**I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.**

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
10/17/06  
(Date)



**ANDALEX RESOURCES, INC.**  
**2006 ANNUAL POND INSPECTION REPORT**

**POND:** Sed. Pond "C"

**LOCATION:** Centennial

<b>IMPOUNDMENTS</b>	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	None Noted.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	2.99 acre feet.
(6) Monitoring Procedures	U.P.D.E.S Quarterly Inspection.

<b>SEDIMENT PONDS ONLY</b>	
(7) Sediment Accumulation (Elevation)	7042.1
(8) Sediment Cleanout Level (Elevation)	7046.9
(9) Principle Spillway (Elevation)	7053.1
(10) Emergency Spillway (Elevation)	7055.0
(11) Existing Sediment Capacity (To Cleanout)	0.650 acre feet.

<b>GENERAL</b>	
(12) Comments/Recommendations	Pond Cleaned October 2006. No Discharge. Inlets O.K.

**STATEMENT**

*I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.*

  
(Signature)

12/06/06  
(Date)



**ANDALEX RESOURCES, INC.**  
**2006 ANNUAL POND INSPECTION REPORT**

**POND:** Sed. Pond "E"

**LOCATION:** Centennial

<b>IMPOUNDMENTS</b>	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	None Noted.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	4.5' Water.
(5) Existing Storage Capacity	1.487 acre feet.
(6) Monitoring Procedures	U.P.D.E.S. Quarterly Inspection.

<b>SEDIMENT PONDS ONLY</b>	
(7) Sediment Accumulation (Elevation)	6945.9
(8) Sediment Cleanout Level (Elevation)	6946.5
(9) Principle Spillway (Elevation)	6957.6
(10) Emergency Spillway (Elevation)	6958.6
(11) Existing Sediment Capacity (To Cleanout)	0.063 acre feet.

<b>GENERAL</b>	
(12) Comments/Recommendations	No Discharge. Inlets O.K. Outlets O.K.

**STATEMENT**

**I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.**

  
(Signature)

10/17/06  
(Date)



**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

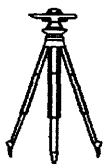
**CONTENTS**

**SUBSIDENCE MONITORING**

**TOWER RESOURCES, INC.**  
**2006 SUBSIDENCE SURVEY**

10/30/2006

STATION	NORTHING (FEET)	EASTING (FEET)	2005 ELEVATION	2006 ELEVATION	NOTES
Rebar on ridge	505,141.92	2,217,261.07	8,241.62	8,241.62	CONTROL
Yellow Rebar	507,073.59	2,223,128.18	8,534.90	8,534.90	CONTROL
S-10	507,824.28	2,217,196.61	8,594.59	8,594.59	CONTROL
1	511,963.35	2,216,981.20	8,509.59	8,509.63	1/2" rebar w/cap
2	512,062.12	2,216,965.01	8,503.78	8,503.80	1/2" rebar w/cap
3	512,165.33	2,216,978.66	8,496.82	8,496.84	1/2" rebar w/cap
4	512,263.52	2,217,010.76	8,486.13	8,486.14	1/2" rebar w/cap
5	512,367.50	2,217,038.78	8,473.91	8,473.89	1/2" rebar w/cap
6	512,490.58	2,217,143.42	8,461.52	8,461.51	1/2" rebar w/cap
7	512,589.90	2,217,213.86	8,453.25	8,453.25	1/2" rebar w/cap
8	512,692.18	2,217,262.33	8,445.26	8,445.25	1/2" rebar w/cap
9	512,800.40	2,217,300.21	8,436.64	8,436.66	1/2" rebar w/cap
10	512,891.71	2,217,336.16	8,430.74	8,430.79	1/2" rebar w/cap
11	513,000.47	2,217,368.65	8,424.38	8,424.43	1/2" rebar w/cap
12	513,103.93	2,217,402.82	8,416.62	8,416.64	1/2" rebar w/cap
13	513,196.61	2,217,451.14	8,408.31	8,408.36	1/2" rebar w/cap
14	513,295.64	2,217,494.35	8,393.48	8,393.50	1/2" rebar w/cap
15	513,371.68	2,217,541.37	8,380.48	8,380.51	1/2" rebar w/cap
16	513,462.85	2,217,588.68	8,368.30	8,368.34	1/2" rebar w/cap
17	513,556.68	2,217,641.91	8,360.76	8,360.76	1/2" rebar w/cap
18	513,635.51	2,217,689.80	8,360.47	8,360.47	1/2" rebar w/cap
19	513,711.41	2,217,742.70	8,356.49	8,356.52	1/2" rebar w/cap
20	513,820.43	2,217,768.54	8,346.15	8,346.17	1/2" rebar w/cap
21	513,912.62	2,217,806.85	8,331.93	8,331.92	1/2" rebar w/cap
22	513,997.37	2,217,848.12	8,315.25	8,315.22	1/2" rebar w/cap
23	514,100	2,217,900	8,298.55	8,298.52	1/2" rebar w/cap
24	514,250	2,218,000	8,286.01	8,285.97	1/2" rebar w/cap
25	514,400	2,218,150	8,273.43	8,273.39	1/2" rebar w/cap
26	514,500	2,218,200	8,256.00	8,255.95	1/2" rebar w/cap



**WARE SURVEYING & ENGINEERING**

G.P.S. & CONVENTIONAL SURVEYING - AUTOCAD MAPPING - CIVIL ENGINEERING



**TOWER RESOURCES, INC.**  
2006 SUBSIDENCE SURVEY

9/25/2006

STATION	NORTHING (FEET)	EASTING (FEET)	2003 ELEVATION	2004 ELEVATION	2005 ELEVATION	2006 ELEVATION	NOTES
Rebar on ridge	505,141.92	2,217,261.07	8,241.62	8,241.62	8,241.62	8,241.62	CONTROL
Yellow Rebar	507,073.59	2,223,128.18	8,534.90	8,534.90	8,534.90	8,534.90	CONTROL
S-10	507,824.28	2,217,196.61	8,594.59	8,594.59	8,594.59	8,594.59	CONTROL
1A	504,057.58	2,216,580.88	8,147.07	8,147.01	8,147.01	8,147.02	---
1	502,940.63	2,216,278.86	8,178.03	8,177.98	8,177.99	8,177.97	---
4	503,238.22	2,221,322.25	8,285.02	8,284.77	8,284.76	8,284.74	---
11	498,938.93	2,218,688.76	7,671.20	7,671.22	7,671.22	7,671.19	---
9	506,252.80	2,221,663.53	8,544.02	8,544.05	8,543.98	8,543.95	---
5	504,194.65	2,224,746.94	8,001.92	8,001.90	8,001.89	8,001.89	---
7	502,013.34	2,225,964.02	8,102.98	8,102.98	8,102.99	8,102.97	---
13	500,747.06	2,228,007.66	7,854.72	7,854.67	7,854.65	7,854.63	---
S31	506,352.97	2,217,376.82	8,386.64	8,386.51	8,386.52	8,386.51	---
S30	506,015.07	2,215,357.70	8,118.02	8,117.88	8,117.86	8,117.87	---
S16	508,650.48	2,210,725.70	8,809.53	8,809.58	8,809.66	8,809.64	---
S17	508,190.63	2,213,802.51	8,624.48	8,624.50	8,624.51	8,624.46	---
99-1	508,942.12	2,215,063.90	8,572.35	8,572.32	8,572.26	8,572.17	---
99-2	509,023.29	2,218,624.20	8,551.12	8,551.01	8,551.03	8,550.95	---
S20	510,331.29	2,217,642.56	8,574.26	8,574.07	8,574.07	8,573.90	---
S21	510,581.75	2,214,956.87	8,489.90	8,490.02	8,489.80	8,489.37	---
S32	509,739.02	2,218,933.12	8,548.93	8,548.88	8,548.85	8,548.78	---



**WARE SURVEYING & ENGINEERING**

G.P.S. & CONVENTIONAL SURVEYING - AUTOCAD MAPPING - CIVIL ENGINEERING



**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

**ON FILE**

**APPENDIX D**

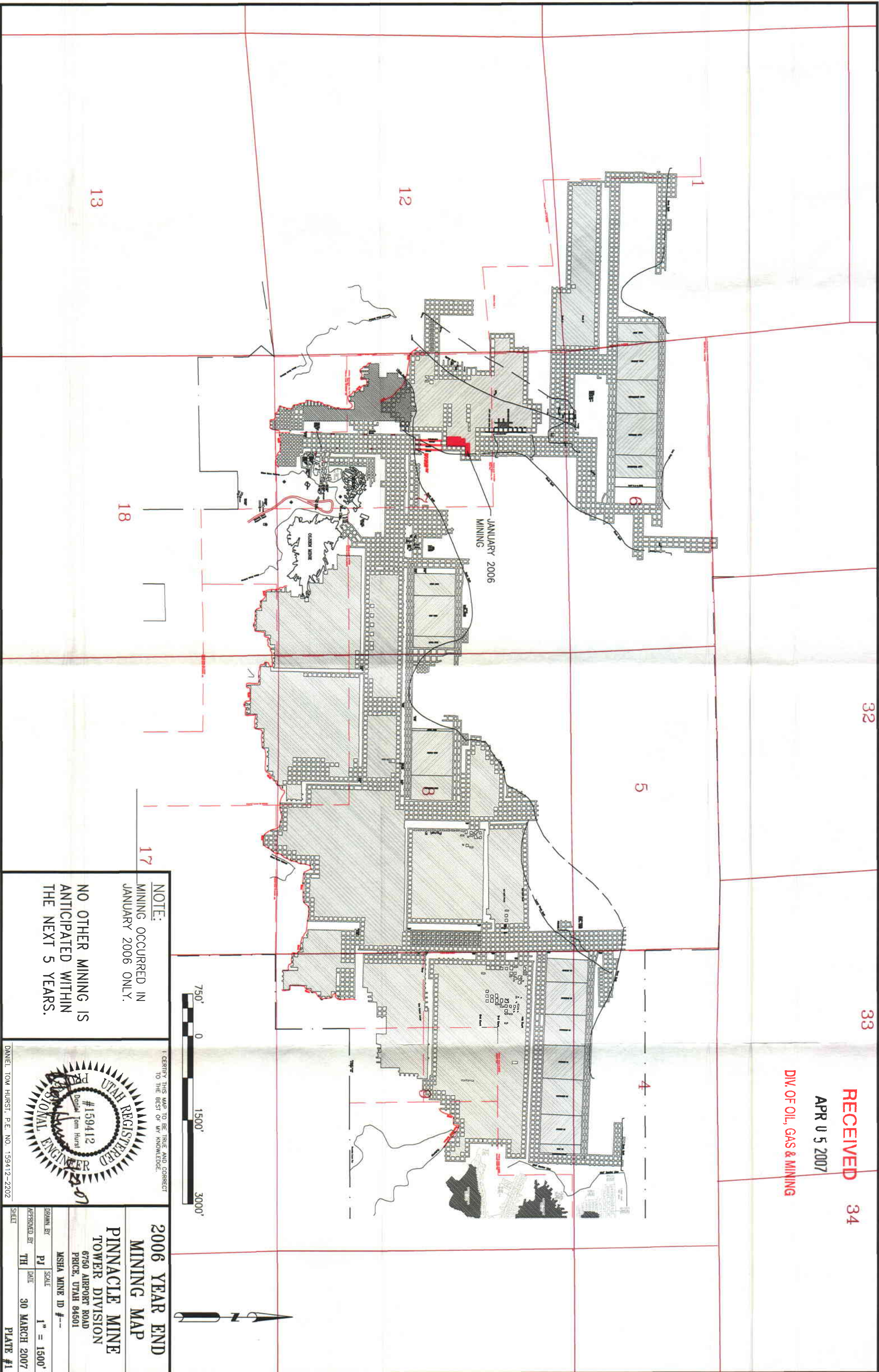
**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

**ABERDEEN MINE  
AND  
PINNACLE MINE**





**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**

**N/A**